

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 3413 - SB 3268

February 18, 2010

SUMMARY OF BILL: Removes participation cap on the Minority Teaching Fellows Program (MTFP) administered by the Tennessee Student Assistance Corporation (TSAC). Currently the program is capped at 35 participants per class level each year, with a 116 maximum participant cap.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Exceeds \$46,800

Assumptions:

- Currently the program has 115 participants and the average award is \$4,682.
- TSAC is unable to quantify the number of additional applicants or awards. Since the program is operating close to the current cap, it is assumed that at least 10 more individuals will be given awards. The total increase in state expenditures is estimated to exceed \$46,820 (\$4,682 x 10).
- According to TSAC, awards for participants that enter the program that are over the current cap will be paid for out of a reserve account funded from fees collected from individuals who do not complete the service requirement. This is not a bill requirement.
- As of June 30, 2009, the reserve account had a balance of \$580,000. According to TSAC, the reserve account will be boosted in future years as more participants drop out of the program.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in cursive script, reading "James W. White".

James W. White, Executive Director

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